

OFFICE OF THE MAYOR  
**CITY AND COUNTY OF HONOLULU**  
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KIRK CALDWELL  
MAYOR

ROY K. AMEMIYA, JR.  
MANAGING DIRECTOR

GEORGETTE T. DEEMER  
DEPUTY MANAGING DIRECTOR

May 5, 2015

The Honorable Ernest Y. Martin  
Chair and Presiding Officer  
and Members  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

RECEIVED  
CITY CLERK  
C & C OF HONOLULU  
2015 MAY -8 PM 12:29

Dear Chair Martin and Councilmembers:

Subject: Cost Items – State of Hawaii Organization of Police Officers,  
Bargaining Unit 12

Pursuant to Section 89-10(b) and 89C-2(4), Hawaii Revised Statutes (HRS), I am submitting for your action a non-wage cost item for State of Hawaii Organization of Police Officers (SHOPO) Bargaining Unit 12.

According to Chapter 89, HRS, cost items require Council action. Section 89-10(b), HRS, provides that,

*“The state legislature or the legislative bodies of the counties acting in concert, as the case may be, may approve or reject the cost items submitted to them, as a whole. If the state legislature or the legislative body of any county rejects any of the cost items submitted to them, all cost items submitted shall be returned to the parties for further bargaining.”*

Section 89C, HRS, also requires Council action for cost items for excluded employees. Section 89C-2(4), HRS, provides that,

*“For excluded employees under the same classification systems as employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for employees hired on a comparable basis.”*

Furthermore, in accordance with HRS Section, 89C-3(b)(2), managers excluded from Bargaining Unit 12 shall be provided adjustments that result in compensation and

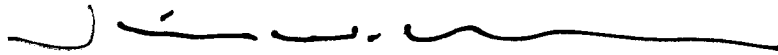
The Honorable Ernest Y. Martin  
Chair and Presiding Officer  
and Members  
May 5, 2015  
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benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction.

Attached is a summary of the cost item for Bargaining Unit 12 included, excluded, and excluded managerial employees.

Should any further information on this matter be required, please contact Carolee C. Kubo, Director of Human Resources, the City's designee for collective bargaining, at 768-8500.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Caldwell", with a long horizontal line extending to the right.

Kirk Caldwell  
Mayor

Attachments

cc: Department of Budget & Fiscal Services



## RESOLUTION

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APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED, EXCLUDED, AND EXCLUDED MANAGERIAL EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNIT 12 (STATE OF HAWAII ORGANIZATION OF POLICE OFFICERS).

WHEREAS, Chapter 89, Hawaii Revised Statutes (HRS), establishes a statewide collective bargaining process for public employees; and

WHEREAS, pursuant to Section 49 (Hawaii Employer-Union Health Benefits Trust Fund) of the Bargaining Unit 12 Collective Bargaining Agreement, effective July 1, 2011 through June 30, 2017, the employers and representatives of Bargaining Unit 12 (State Of Hawaii Organization of Police Officers) reopened negotiations on February 25, 2015, concerning Employer contributions to the Employer-Union Health Benefits Trust Fund (EUTF) for plan years 2015-2016 and 2016-2017; and

WHEREAS, the parties agreed to new Employer contribution amounts; and

WHEREAS, HRS Section 89C-3(b)(2) states that the Director of Human Resources shall formulate a recommendation for City Council approval which "Ensure(s) that adjustments for excluded civil service employees result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction"; and

WHEREAS, the new agreement makes adjustments to a cost item and is effective from July 1, 2015 through June 30, 2017; and

WHEREAS, pursuant to Section 89-10(b) and 89-11(g), HRS, the cost item is subject to appropriations by the respective legislative bodies; now therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approve the collective bargaining and related cost items for the included, excluded, and excluded managerial employees of the City and County of Honolulu in Bargaining Unit 12, a summary of which is attached as Exhibit A; and



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. \_\_\_\_\_

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## RESOLUTION

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BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and Director of Human Resources of the City.

INTRODUCED BY:

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DATE OF INTRODUCTION:

\_\_\_\_\_  
Honolulu, Hawaii

\_\_\_\_\_  
Councilmembers

## COLLECTIVE BARGAINING REPORT TO CITY COUNCIL AGREEMENT FOR BARGAINING UNIT 12

On February 25, 2015, the State of Hawaii Organization of Police Officers (SHOPO) reopened negotiations on the subject of Employer contributions to the Employer-Union Health Benefits Trust Fund (EUTF) for plan years 2015-2016 and 2016-2017. The parties agreed to new Employer contribution amounts, which covers the following City employees (as of March 31, 2015):

<u>Covered</u>	<u>Total</u>
Included Positions	2002
Excluded Positions	33
<b>Total</b>	<b>2035</b>

### Excluded Managerial

In accordance with HRS Section 89C-3(b)(2), managers excluded from Bargaining Unit 12 shall be provided adjustments that result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction.

### Excluded Managerial Positions in the City and County of Honolulu (as of March 31, 2015)

<b>Bargaining Unit</b>	<b>Total</b>
EM – Excluded Managerial	43

### Summary of Agreement:

#### I. Duration

The new agreement over Employer contribution amounts to the EUTF is effective from July 1, 2015 through June 30, 2017.

#### II. EUTF

Effective July 1, 2015, the Employer will pay specific dollar amounts for the PPO and HMO plans which are equivalent to the Employer Contribution rates from the previous year plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall 100% of the premiums and fees).

Effective July 1, 2016, the Employer will pay specific dollar amounts for the PPO and HMO plans which are equivalent to the Employer Contribution rates from the previous year plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall 100% of the premiums and fees). The estimated increase to EUTF costs for Unit 12 is as follows:

FY 2016	FY 2017
\$749,855	\$1,437,989